GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:948
ANSWERED ON:08.12.2003
INTEREST RELIEF TO FARMERS
PUNNULAL MOHALE;VARKALA RADHAKRISHNAN

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Union Government have announced interest relief to the farmers;

(b) if so, the details thereof alongwith nature of loans covered therein;

(c) whether this relief measures only covers the short-term loans;

(d) if so, whether the Government have received proposals from the farmers who have availed long-term loans to be covered under this scheme;

(e) if so, whether the Government have reconsidered their proposal;

(f) if so, the details thereof; and

(g) if not, the reason therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV)

(a) & (b): Yes, Sir. Details are annexed.

(c): Yes, Sir.

(d): No, Sir.

(e) to (g): Does not arise.

Annexure

Government of India has announced interest relief to the farmers by deciding to waive the first year`s deferred liability of interest on Kharif 2002 crop loans as a one time measure in the drought affected states. Accordingly, the Reserve bank of India/ NABARD has issued guidelines to the banks regarding the interest waiver scheme in the drought affected states. The salient features of the scheme are as under:

I. Banks shall provide relief by way of partial interest waiver to eligible borrowers of Kharif(2002) loan and defer the interest due in the current financial year (2002-03) on Kharif crop loans in such a way that the first installment of interest repayment would be 20% of the deferred interest. This installment of deferred interest shall be completely waived as a one time measure. The deferred interest which is to be waived by banks as per government announcement, will be reimbursed by the Government of India.

II. All farmers in a drought affected area notified by the state government and eligible for conversion/reschedulement of Kharif 2002 crop loans would be eligible for aforesaid interest waiver.

III. The banks should finalize the cases of rescheduling of Kharif 2002 crop loans into term loansas per the standard guidelines. Then the amount of first year`s interest liability, to be waived, is to be computed out of the deferred amount. The farmers who are not eligible for rescheduling of their Kharif 2002 loans will not be eligible for interest waiver.